

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 8, 2007

Bill Number: S.B. 51

Authors: Ford

Committee Requesting Impact: Senate Finance Committee

Bill Summary

To amend the Code of Laws of South Carolina, 1976, by adding Section 12-6-3557, so as to allow a state income tax credit equal to fifty percent of the expense of purchasing and installing a metal detector security system installed and operated by retail space landlords and individual retailers for the purpose of providing customer and employee security.

REVENUE IMPACT ^{1/}

This bill would have no impact on General Fund revenue in FY2007-08.

Explanation

This bill would add Section 12-6-3357 to allow a nonrefundable state income tax credit to retailers that install and operate metal detector security systems. According to the International Council of Shopping Centers, there are currently no U.S. retail shopping centers that use metal detectors for security purposes. The presence of metal detector security systems in a retail center may be considered intrusive and give shoppers the option to shop elsewhere. In making the projection of revenues, the expectation was for this trend to continue, in the absence of the bill. Tax credits that would be claimed as a result of this bill are, therefore, not included in the current projection. As a result, the revenue projection would not be impacted.

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Husman

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.